

(Washington, DC)— Congresswoman Gwen Moore will join Congress today in sending President Bush legislation that would help millions of students – and thousands of Wisconsin students and families – pay for college at no new cost to U.S. taxpayers.

The College Cost Reduction and Access Act, H.R. 2699, would boost college financial aid by about \$20 billion over the next five years. The act passed the Senate this morning and is expected to pass the House with an overwhelming bipartisan vote this afternoon.

“No matter how rich or how poor, everyone deserves an opportunity to earn a higher education. This legislation would bring much needed financial aid to families trying to put their children through college,” Congresswoman Gwen Moore said. “This legislation would mean thousands of dollars in real savings for students and their families.”

Currently, about 76,000 Wisconsin students at four-year colleges take out need-based loans each year and are strapped with an average of \$13,379 in college loan debt.

Wisconsin students would receive a total of \$384.8 million in additional loan and Pell Grant aid if the President signs this legislation into law. The typical Wisconsin student would save about \$4,280 from the interest rate cut when the new law is fully implemented.

Additionally, about 6 million low- and moderate-income students nationwide would benefit from an increase in the maximum value of the Pell Grant scholarship included in this bill.

Under the legislation, the maximum value of the Pell Grant scholarship would increase by \$1,090 over the next five years. When combined with other Pell scholarship increases passed or proposed by Congress this year, the maximum Pell Grant would reach \$5,400 in 2011.

“Students are currently in heaps of debt simply because they want to get an education. Giving students the resources they need to attend college will boost our country’s economy by helping to cultivate our nation’s next generation of leaders, scientists and economists,” Moore said. “In a fiscally responsible way, this legislation invests in our nation’s children by giving them the opportunities in life they deserve.”

### COLLEGE COST REDUCTION ACT FACTS:

The legislation would cut interest rates in half on need-based student loans, reducing the cost of those loans for millions of student borrowers.

The legislation would also prevent student borrowers from facing unmanageable levels of federal student debt by guaranteeing that borrowers will never have to spend more than 15 percent of their yearly discretionary income on loan repayments and by allowing borrowers in economic hardship to have their loans forgiven after 20 years.

The legislation pays for itself by reducing excessive federal subsidies paid to lenders in the college loan industry by \$19 billion. It also includes nearly \$1 billion in federal budget deficit reduction.

###